GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5120
ANSWERED ON:20.04.2001
CASH COMPENSATORY SUPPORT BY DGFT
RAGHUNATH JHA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether DGFT, New Delhi provided project assistance amounting to Rs.2.45 crore during 1992 to a firm under cash compensatory support scheme, which was not eligible for the same;

(b) if so, whether the matter has been investigated and staff responsibility has been fixed;

(c) if so, the details thereof and if not, the reasons thereof; and

(d) the steps taken to recover the amount from the firm with penal rate of interest and to proceed against the negligent officials now?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d) : Rs.2.45 crore was provided in 1992 to a firm under the CCS Scheme.The C&AG has held this payment to be incorrectin their Report No.2 of 1999. In the Action Taken Note (ATN) on the C&AG`s Report, it has been pointed out to the C&AG that the project assistance had been correctly provided as per the extant rules even though the claimant was unable to produce some of the documents because all his records had been seized by the host country due to war. Since the matter is under the consideration of the PAC, no steps have as yet been initiated to recover this amount.